



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

July 13, 2010

Bette J. Croshaw
C/O Moreton & Company
709 East South Temple
Salt Lake City, Utah 84102

Subject: Cancellation of Surety Bond _____ Nephi Sandstone, Soma Quarry, S/023/0065,
Juab County, Utah

Dear Ms. Croshaw:

The Utah Division of Oil, Gas and Mining (Division) received your letter dated July 7, 2010, regarding the cancellation of surety bond # _____ in the amount of \$12,000.00 effective 90 days from the Division's receipt of your letter. The Division received the letter July 8, 2010; 90 days from that date is October 6, 2010. The mine operator, Nephi Sandstone, is being advised that a replacement surety must be provided by September 6, 2010.

Under the terms of the above referenced surety bond, Liberty Mutual remains liable for reclamation of the existing disturbance. If the surety is not replaced by September 6, 2010, the Division will immediately issue a cessation order to Nephi Sandstone and demand that it commence reclamation. Failure of Nephi Sandstone to reclaim the mine within 30 days of issuance of the cessation order may result in the Division making demand on Liberty Mutual to either proceed with reclamation or to pay to the Division the amount of the bond. If Liberty Mutual fails to complete reclamation or make payment as requested, the Division may proceed to file a Request for Agency Action with the Board of Oil, Gas and Mining to seek forfeiture of the bond.

Please confirm that you remain responsible as surety for the reclamation of the existing disturbance. We also ask that you advise the Division immediately if there is any reason or if any conditions arise that may preclude you from continuing as surety for reclamation of the existing disturbance.

Bette J. Croshaw
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Thank you for your cooperation. Please feel free to call me at 801-538-5261 if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul Baker for FBIS".

Paul Baker
Minerals Program Manager

PBB:pb

Enclosure Letter to operator dated July 13, 2010, and copy of surety

Cc: Bruce Evans, Nephi Sandstone

Jerry_Mansfield@blm.gov

Opie_abeyta@blm.gov

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